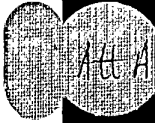


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PROCUREMENT MANAGEMENT REVIEW
OF
DIRECTORATE OF SCIENCE AND TECHNOLOGY
OFFICE OF RESEARCH AND DEVELOPMENT
CONTRACTS STAFF



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TABLE OF CONTENTS

Executive Summary

Introduction to Report

Office of Research and Development Contracts Staff Profile

Management of the Procurement Function

- Procurement Policies
- Contract Management
- Staff Development
- Relationship with Program Office
- Management Reporting Requirement
- Findings, Discussion, and Recommendations

Preaward Contract Activity

- Procurement Planning
- Internal Approvals
- Financial Management
- Contracting Methods and Types
- Solicitation Process
- Findings, Discussion, and Recommendations

Contract Award Activities

- Contract Pricing
- Contract Award
- Findings, Discussion, and Recommendations

Contract Administration

- General Consideration
- Performance and Delivery Monitoring
- Government-Furnished Property Management
- Findings, Discussion, and Recommendations

Contract Settlement

- General Considerations
- Findings, Discussion, and Recommendations

~~C O N F I D E N T I A L~~

~~C O N F I D E N T I A L~~

EXECUTIVE SUMMARY

A comprehensive Procurement Management Review (PMR) of the Contracts Staff, Office of Research and Development, Directorate of Science and Technology (DS&T/ORD/CS) was performed by a representative of the Procurement Management Staff, Office of Logistics (OL/PMS). The review was performed over a period of two months (18 June through 25 August 1987), using the methodology cited in the Introduction to the report.

It is the opinion of the PMR representative that ORD/CS is providing adequate support to the Director of Research and Development (D/ORD) and is responsive to ORD requirements. This opinion was corroborated in discussions with the D/ORD, the DD/ORD, and three separate program managers. Nevertheless, certain shortcomings were evident that, when corrected, should enhance the reliability of the procurement process in ORD. Some of these discrepancies had already come to the attention on the recently assigned Chief and Deputy Chief, CS/ORD prior to the initiation of the PMR. Consequently, certain irregularities cited in the findings and recommendations of this report may have already been corrected or are in the process of being corrected.

In fairness, some of the problem areas uncovered can be attributed to the rapid growth in ORD contracting activity over the last several years, the lack of resources necessary to keep pace with this growth, and the prolonged illness of the C/CS/ORD in 1986 --the year covered by the PMR. Because of these factors, contract administration suffered as did, to a lesser degree, the documentation of cost and price negotiations.

The recommendations contained in this report are intended to assist ORD/CS in complying with the procurement policies and

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procedures issued by the Director of Logistics (D/L). None of the recommendations resulting from the PMR should impact on ORD/CS' ability to respond to the requirements of ORD. On the contrary, adopting the recommendations should strengthen and improve the quality of ORD/CS' contracting procedure and better assist ORD in the performance of its mission.

Among the major findings included in this report are:

- ° ORD/CS is significantly involved in the ORD procurement planning and procurement process. This interaction with ORD management is commendable and, while time-consuming, in the long run prevents future problems.
- ° ORD/CS resources, both professional and clerical, have not kept pace with the rapid growth in ORD contracting activity since 1983.
- ° In fiscal year (FY) 1986, ORD/CS awarded only seven competitive contracts, a number considerably below the Agency average.
- ° ORD's heavy end-of-the fiscal year spending impacts heavily on ORD/CS' ability to perform as effectively as possible some aspects of the contracting function. A more orderly spending plan by ORD would help ORD/CS overcome some of the problems discussed in the review regarding competitive awards, contract administration, and contract settlement.
- ° Many contracts reported in CONIF as active have target delivery dates going back years. In many cases, the contractor has been fully paid yet there is no evidence in the contract file that deliverable items were received.

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The above findings, among others, are discussed more fully in this report.

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